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BEFORE THE ARIZONA CORPORATION COMMISSION
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7 BOB STUMP

8 **IN THE MATTER OF THE**)
9 **APPLICATION OF ARIZONA-**)
10 **AMERICAN WATER COMPANY, AN**)
11 **ARIZONA CORPORATION, FOR A**)
12 **DETERMINATION OF THE CURRENT**)
13 **FAIR VALUE OF ITS UTILITY PLAN**)
14 **AND PROPERTY AND FOR INCREASES**)
15 **IN ITS RATES AND CHARGES BASED**)
16 **THEREON FOR UTILITY SERVICE BY**)
17 **ITS ANTHEM WATER DISTRICT AND**)
18 **ITS SUN CITY WATER DISTRICT**)

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission

DOCKETED

JUL 16 2010

DOCKETED BY

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21 **APPLICATION OF ARIZONA-**)
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27 **IN ITS RATES AND CHARGES BASED**)
28 **THEREON FOR UTILITY SERVICE BY**)
29 **ITS ANTHEM/AGUA FRIA WATER**)
30 **DISTRICT, ITS SUN CITY**)
31 **WASTEWATER DISTRICT, AND ITS SUN**)
32 **CITY WEST WASTEWATER DISTRICT**)

DOCKET NO. SW-01303A-09-0343


TOWN OF PARADISE VALLEY'S
NOTICE OF FILING
INITIAL POST-HEARING BRIEF

33 _____
34 The Town of Paradise Valley, by and through its undersigned counsel, hereby

35 provides this Notice of Filing Intervener Town of Paradise Valley's Initial Post-Hearing Brief.
36
37

1 Respectfully submitted this 16th day of July, 2010.

2 Town of Paradise Valley

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4
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6 

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9 Paradise Valley, AZ 85253
10 Attorney for Town of Paradise Valley

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12 ORIGINAL and thirteen (13) copies of the
13 foregoing have been filed with Docket
14 Control this 16th day of July, 2010

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18 Administrative Law Judge
19 Hearing Division
20 Arizona Corporation Commission
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22 Phoenix, Arizona 85007

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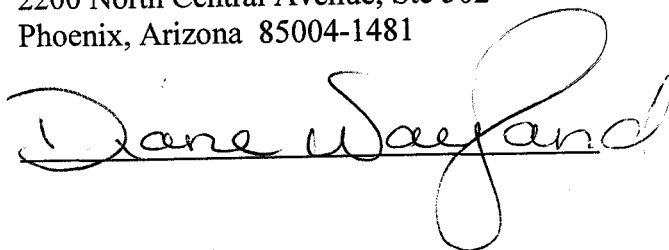
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34 **TOWN OF PARADISE VALLEY INITIAL POST-HEARING BRIEF**

35
36 The Town of Paradise Valley submits its Initial Post-Hearing Brief in the above-entitled
37 matter.

38
39 **I. "NOW" IS NOT THE "OPPORTUNE TIME" TO IMPLEMENT**
40 **ARIZONA-AMERICAN WATER DISTRICT CONSOLIDATION**

1 When Decision No. 71410 was entered on December 8, 2009 in Docket No. W-01303A-
2 08-0227 et. al. holding that docket open for the limited purpose of considering consolidation of
3 all of Arizona-American Water Company's (hereinafter "Arizona-American" or "Company")
4 water districts in a future rate case, little was known as to how rate consolidation would be
5 "considered" and what would be analyzed in the process of considering water district
6 consolidation.¹ Decision No. 71419 is not clear as to how the consideration of consolidation of
7 the various Company water districts should be accomplished, other than to require the staff to
8 submit "at least one consolidation proposal" in the Company's next rate case "which [would]
9 allow parties and the public ample opportunity to have notice of this issue and participate in [a
10 consolidation] discussion."² The Arizona Corporation Commission staff (hereinafter
11 "Commission" for the Commission itself and "Staff" for the Commission staff) indeed submitted
12 three proposed consolidation scenarios, which, when added to the consolidation scenarios
13 submitted by other interveners, as well as the model scenarios provided by the Company in
14 conjunction with Decision No. 71410, creates a broad range of potential consolidation scenarios
15 to "consider." If a party such as the Town of Paradise Valley (or more particularly the customers
16 of the Company in the Paradise Valley Water District) were to rely on the initial analysis of the

¹ "It is reasonable and in the public interest to keep this docket open for the limited purpose of consolidation in the Company's next rate case with a separate docket in which a revenue neutral change to rate design of all the Company's water districts or other appropriate proposals or all the company's water and wastewater districts or other appropriate proposals may be considered simultaneously, after appropriate public notice, with appropriate opportunity for informed public comment and participation." Decision No. 71410, p. 76

² "While the Commission will defer addressing consolidation in the instant case, we believe this issue is of critical importance and that unnecessary delay does not allow customers to benefit from administrative expediency, economies of scale and other efficiencies which would otherwise occur through consolidation. Accordingly, we will require Commission Staff to propose at least one consolidation proposal in the Company's next rate case which will allow parties and the public ample opportunity to have notice of this issue and participate in that discussion. We also believe the Company should commence a dialogue with its customers as soon as practicable, and will require it to initiate town hall-style meetings in all of its service territories to begin communicating with consumers the various impacts of system consolidation in each of those service territories and to collect feed-back from consumers on such consolidation." Decision No. 71410, p. 51

1 Company that accompanied Decision No. 71410, one would not be too concerned about the
2 potential impacts of consolidation as the initial rate model (and the testimony of Company
3 witness Tom Broderick) would leave one to believe that the Paradise Valley Water District
4 would be “largely unaffected” by consolidation.³ But if they were left to consider the panoply of
5 the variety of other consolidation scenarios, they would have little guidance and great unease.

6 As the history of “the next rate case” (this Docket) has unfolded, there are numerous
7 factors that make it nearly impossible for any customer to predict how consolidation would affect
8 that customer and what factors would be considered in the final analysis. Despite the testimony
9 of Company witness Thomas M. Broderick that “now” is the “opportune time” to implement rate
10 consolidation, the lack of clear direction on the types of factors determined by the Commission
11 to be of paramount importance and how a consolidation proposal should be structured has led to
12 numerous scenarios being proposed and a complete lack of any ability to predict what scenario
13 might be selected by the Commission. A list of the unresolved issues that need to be determined
14 before a predictable consolidation rate model can be analyzed with at least some level of comfort
15 include the following:

³ “Mr. Broderick attached the results of one consolidation scenario to his prefiled rebuttal testimony. That scenario is attached to this Decision and incorporated herein as Exhibit B. Exhibit B includes all eight of the Company’s water districts at the Company’s requested revenues in the original application filed in this case, and at the present rates for the Sun City Water district. Exhibit B shows the typical $\frac{5}{8}$ x $\frac{3}{4}$ inch meter residential customer bill on a pre- and post- consolidation basis for each of the water districts, with a consolidated monthly basic service charge of \$15.59 and three tier commodity rates of \$1.50, \$2.50 and \$3.25. That scenario would result in the following total residential revenue and percentage shifts (in total changes net to zero) by district. [Table omitted.] Mr. Broderick stated that he experimented with the residential rate designs, but it did not change his conclusion that in order to achieve a total residential rate consolidation, the rates in the Sun City Water and Mohave Water districts would increase significantly, and that the major short term beneficiaries would be Anthem Water, Tubac Water, and Havasu Water districts, with the only largely unaffected water district being Paradise Valley Water.” Decision No. 71410, p. 48.

- 1 1. the total revenue requirement needed for the Anthem and Sun City Water Districts in
2 the instant docket has not been determined, making projections on rate impacts
3 uncertain.
- 4 2. the number of tiers or break points for a consolidation proposal, and especially the
5 consumption levels for such break points is not determined, with such break points
6 capable of radically shifting costs to customers in certain districts, especially the
7 Paradise Valley Water District.⁴
- 8 3. the possibility of leaving out some of the water districts, such as Sun City or Sun City
9 West, from a consolidation proposal, as is done in one of the Staff proposed scenarios
10 and as has been requested by Commission Chairman Mayes.
- 11 4. whether the one-inch meter size residential customer class will be treated more like
12 the 5/8 x 3/4 class, or more like a commercial-type customer with only a two-tiered
13 rate structure,⁵ which is of particular importance in Paradise Valley where many
14 residential customers have one-inch meters due to requirements for in-home
15 sprinklers in all new construction.
- 16 5. and the likelihood of any large capital improvements or upgrades needed in any
17 particular water district, such as the aging infrastructure needs in the Sun City district
18 often referenced by the Company during the hearing.

⁴ For example, a comparison of the initial Company structure shown in the record of Decision No. 71410 with the rates proposed in any of the three Staff consolidation scenarios reveals how dramatic the shifting of rates from one district to the other may be, as is evidenced by RUCO Exh. R-15, where the impact on the average 5/8 x 3/4 inch customer in the Paradise Valley Water District would be an increase of 25.90% under Staff scenario #1, 33.27% under Staff scenario #2, 46.44% under Staff scenario #3; hardly an "unaffected" customer.

⁵ By way of example, the proposed one-inch residential customer rate tiers for the Sun City Water District shown in Errata Schedule JMM-1 contain only two tiers, 0-43,000gpm and 43,000 and above gpm as recommended by the Company and 0-20,000gpm and 20,000 and above gpm as recommended by the Staff. See Notice of Errata Rate Design for Sun City Water District filed by Staff on July 14, 2010.

1 The lack of any resolution of these factors, and perhaps others, has made it difficult to have any
2 predictability on what a consolidation scenario can or would look like if one is selected by the
3 Commission. One could say that it is like trying to shoot a moving target, but given the lack of
4 data and inability to know the mind of the Commission as a whole on many of the most
5 important factors to be considered (including the number of tiers to be used and the highly
6 relevant break points of those tiers), it is more akin to trying to shoot a moving target in the dark.

7 It might have been suggested that some clarity in the process could have been achieved
8 by means of the "Town Halls" that were required in the various districts,⁶ but such Town Halls
9 were not conducted as such prior to the hearing in this case. Although not submitted as evidence
10 in the current docket (due to its occurrence after the close of the hearing), it should be noted that
11 a recent "Town Hall" for the Paradise Valley Water District (conducted at 5:30 p.m. on July 12,
12 2010 at a church located with the District) resulted in only five residents within that District
13 attending, one of those being a member of the Paradise Valley Town Council and four being
14 residents of the City of Scottsdale. Why the dearth of attendance? Part of the reason could be
15 attributable to the summer vacation schedules of residents in this District, but the more likely
16 reason is that so little is known about the potential consolidation scenario that may be selected
17 and the impacts of that scenario it would be hard for anyone other than the most sophisticated
18 customers (such as the Paradise Valley resorts who have intervened in this case) to have any
19 ability to forecast the potential impacts of consolidation.⁷

⁶ Decision No. 71410, at p. 78, lines 20-23

⁷ In fact, even if one were to attend the July 12, 2010 Town Hall in the Paradise Valley Water District (the "Town Hall"), the only conclusion to be reached is that the consolidation may not impact the typical Paradise Valley customer much, if at all (see attached Exhibit A, PowerPoint presentation to be used by Arizona-American at the Town Hall and "Handout on Consolidation Scenarios," both distributed at the Town Hall). All of the handouts provided at the Town Hall would lead to the conclusion that unless Sun City is left out of the consolidation proposal the impact would only be a 4.0% increase for a 5/8" meter residential customer and a 3.4% decrease for a 3/4" customer in the Paradise Valley District. Information on the potential impacts of other proposals, such as the

1 In truth, for any “Town Hall” regarding the potential impacts of rate consolidation to be
2 meaningful to the customers in a particular district, an identified rate consolidation proposal
3 should first be made by the Commission, which would then provide a basis for individual
4 customers to use their individual consumption data to analyze how that proposal would impact
5 them. At worst, the Town Halls should not occur until after a recommended order has been
6 made by the Administrative Law Judge in this case, which would then give at least some indicia
7 to customers as to the likelihood of a recommended scenario (albeit perhaps couched in terms of
8 “If the Commission should decide to implement consolidation at this time...”) that would
9 provide the basis for comparison between their current stand-alone rates and a consolidation
10 scenario rate structure.

11 In summary, the lack of a clearly defined process of how a consolidation scenario was to
12 be defined and considered has lead to a variety of consolidation scenarios being suggested,
13 making it difficult for any customer to predict how rate consolidation would affect that customer.
14 Additionally, the lack of a defined consolidation scenario has made the probability of having any
15 kind of meaningful Town Hall discussion on rate consolidation minimal. “Now” is not the
16 appropriate time to implement rate consolidation for the Company.

17 **II. RATE CONSOLIDATION, IS, IN REALITY, NOT GOOD FOR THE**
18 **CUSTOMERS OF ARIZONA-AMERICAN AND SHOULD NOT BE**
19 **IMPLEMENTED AT ALL**
20

21 Even if the process-related and meaningful customer information issues could be cured,
22 consolidation is not likely to result in any customer benefits, only a shifting of costs from one set
23 of customers to others (appropriately labeled “Cross-Subsidization” by RUCO) and perhaps even
24 lead to higher customer rates in general. As noted in the testimony submitted by Town of

identified impacts of Staff Scenarios 1, 2, and 3 as shown in RUCO Exhibit R-15, were not presented at the Town Hall.

1 Paradise Valley (the "Town") witness James C. Bacon, Jr.,⁸ the Town Council of Paradise Valley
2 (the "Town Council") does support the concept of rate consolidation as it does not believe there
3 is any purpose for consolidating the Paradise Valley Water District with other Arizona-American
4 Water Districts at this time. Although it is often suggested that consolidation can help to fund
5 needed system upgrades or needed capital improvements in the Company as a whole, the Town
6 has stated that "[It] believes funding for other water district systems upgrades or infrastructure
7 improvements can be made regardless of consolidation."⁹ For this reason, the Town Council
8 has stated (in the testimony of James C. Bacon, Jr. and in accompanying Town Resolution No.
9 1215,¹⁰ that it would like for the Paradise Valley Water District to remain unconsolidated at this
10 time.

11 Although some have cited to "public policy goals" that can purportedly be achieved by
12 rate consolidation (most generally in the testimony of Marshall Magruder, in both his submitted
13 pre-trial direct testimony and in the exhibits he submitted at the hearing) such as increased water
14 conservation by means of multiple "increasing" block tariffs and encouraging a switch from use
15 of groundwater to use of surface water, such goals can also be pursued in the individual rate
16 districts and do not need consolidated water districts in order to be advanced.¹¹ In fact, tailoring
17 conservation goals, including the tiering of rates and the selection of appropriate best
18 management practices, could arguably be fine-tuned to meet the unique conservation needs of
19 each district's unique water consumption and water supply circumstances, whereas a one size fits
20 all approach to conservation could actually send the wrong conservation signals in some districts.

⁸ Exhibit PV-1, testimony of James C. Bacon, Jr., Town Manager of Paradise Valley, p. 6, lines 13-15.

⁹ Exhibit PV-1, p.6, lines 15-16.

¹⁰ See Exhibit A to Exhibit PV-1.

¹¹ Exhibit PV-1, p. 7, lines 3-7.

1 Although it has been argued by other witnesses in the case, most particularly Company
2 witness Thomas Broderick, that the example of consolidation of the Arizona Public Service
3 Corporation (APS) is historical example of how rate consolidation can and should work, the
4 Town has clearly stated that this example of successful utility-company consolidation is not an
5 appropriate example or analogy. First, electricity generation and distribution are in no way
6 comparable to treatment and distribution of water.¹² Second, in the case of Arizona-American
7 water, each set of assets is designed to serve a unique entity or district, with varying water
8 treatment needs and requirements (depending on the source), with no centralized “grid” available
9 for balancing load and optimizing generation (that is, no method to match system-wide water
10 consumption demands with the system-wide water sources), and with no physical
11 interconnection between the geographically separate facilities of the Arizona-American water
12 districts.¹³ Thus any comparison to APS for the purpose of bolstering a proposal for rate
13 consolidation is flawed.

14 Similarly, there is no business logic for nor customer benefit from combining the
15 geographically separate and distinct water districts in the Arizona-American system through
16 some form of consolidation. The only real business logic is that rate consolidation leads to
17 simplicity for regulators, but it is difficult to see how this will lead to any benefits for the
18 customers of Arizona-American.¹⁴ Although some have purported that their would be some
19 form of customer rate savings achieved through rate consolidation, it was abundantly clear in the
20 testimony of Thomas Broderick that the Company already treats all of the various water districts
21 as if they are one in the way that it distributes its costs and assigns its personnel, thus the only
22 savings that he could identify would be in some minor bookkeeping costs.

¹² Exhibit PV-1, p. 7, lines 12-13.

¹³ Exhibit PV-1, p. 7, lines 13-18.

¹⁴ Exhibit PV-1, p. 7, lines 21-28, p. 8, lines 1-2.

1 Unfortunately, rate consolidation could actually lead to overall customer rate increases as
2 it would basically centralize and accumulate the rate bases for all the Arizona-American water
3 districts and make it more difficult for customers to dissect the information discreet to their
4 locality in order to voice their opinions.¹⁵ As an example of how individualized scrutiny of the
5 requested improvements to one rate district lead to a thorough and rigorous vetting of the
6 requested improvements and the implementation of unique methods to achieve real cost savings
7 and thus real rate relief, one need look no further than the example of how the Tubac District
8 analyzed the arsenic treatment implementation for that district and was able to reduce the costs
9 from an initial projection of \$2,300,000 down to \$500,000.¹⁶ Although it is stated that this same
10 level of effort would be pursued even in the event of rate consolidation, typical human logic
11 would suggest such would not be the case, as it is often-observed that “when it is everyone’s
12 responsibility, it becomes no one’s responsibility.”¹⁷ Conversely, when everyone else helps pay
13 for it, then no one is really going to question the costs. The Company itself alluded to such as
14 one reason why Sun City should be in favor of consolidation, that is, everyone else can now help
15 pay for some projected well replacements and other aging infrastructure replacements needed in
16 Sun City.

17 Assuming however, that the foregoing principle of typical human psychology does not
18 come into play and that the combined customer really does ask for a thorough and rigorous
19 vetting of the requested improvements in each and every district, for those so inclined, it would
20 potentially pit the customers in one district against those in another district. For example, the

¹⁵ Exhibit PV-1, p. 8, lines 2-5.

¹⁶ Rebuttal Testimony of Marshall Magruder, at p.23, lines 24 to 31.

¹⁷ Exhibit PV-1, p. 8 generally, see also p. 9, lines 12-17 wherein Mr. Bacon states: “Rate consolidation can lead to a loss of accountability by Arizona-American over the necessity or merit of making certain capital investments in each of the water districts. Capital expenditures that may receive a rigorous examination by the ratepayers when made in one water district will not appear to have a substantial rate impact when spread out over a much larger rate-payer base, thus leading to a less thorough examination of such capital expenditures.”

1 customers in one water district, such as Sun City, may choose to intervene in future rate cases in
2 order to oppose capital investments in other districts while still insisting that improvements be
3 made in their own district. that is, they would argue that the aging infrastructure should be
4 replaced in the physically discrete Sun City area, while aging infrastructure in other physically
5 discrete districts such as Tubac or Paradise Valley not be improved.¹⁸ Consolidation could
6 actually lead to the ugly result of pitting customers in one district against others. Because
7 Arizona-American's water districts are geographically isolated with completely separate water
8 supplies and customers, necessary improvements and the resulting rates required for making
9 such improvements can be easily determined for each district.¹⁹ As noted in the testimony of
10 James C. Bacon, Jr., one must ask whether rate consolidation is actually good for the customers;
11 or good only for Arizona-American.²⁰

12 Similarly, the argument that public policy goals can be achieved by having an established
13 consolidated set of districts fund public safety improvements needed for smaller challenged
14 districts should be rejected. As Mr. Bacon testified, it is often argued that rate consolidation
15 "allegedly may promote public safety by combining smaller troubled water districts with larger
16 ones in order to help "fund" the substantial investments needed to alleviate health or public
17 safety issues in the smaller districts. However, those same improvements can be made regardless
18 of consolidation."²¹ The only effect of consolidation is to shift those costs from the smaller
19 districts to the larger districts, the type of cross-subsidization that has been thoroughly briefed by
20 RUCO.

21 **III. CONCLUSION**

22

¹⁸ Exhibit PV-1, p. 8, lines 5-8.

¹⁹ Exhibit PV-1, p. 8 lines 8-10.

²⁰ Exhibit PV-1, p. 8, lines 10-12.

²¹ Exhibit PV-1, p. 8.

1 Inadequate direction and lack of clarity in Decision No. 71410 as to how the
2 consideration of consolidation of the various Company water districts should be accomplished
3 and the lack of any meaningful "Town Halls" or other education of the affected customer base
4 leads to the conclusion that consolidation should not be ordered in this case and at this time.
5 Consolidation should be more thoroughly analyzed with more detailed information identified
6 from the outset. Yet, even if these defects were to be remedied in the future, it is not in the
7 interests of Arizona-American customers for consolidation to be implemented as many of the
8 purported benefits, such as cost-savings and conservation, may not be achieved, and instead may
9 actually be made worse. Consolidation should not be implemented.

10 Town of Paradise Valley

11 
12

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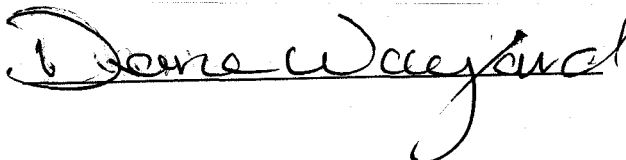
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Subject: Town Hall Slides
Attachments: 100702 AAW Townhall Meeting July 2010 final.ppt

For your information, attached is the presentation that has been and will be used for the additional town hall meetings.

For more information about Lewis and Roca LLP, please go to

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ARIZONA AMERICAN WATER

TOWN HALL MEETING

Water & Wastewater Rate Consolidation

July 2010



Background

- Arizona American Water operates as a state-wide water & wastewater utility Company. However, the rates it charges customers are unique by district.
- The Arizona Corporation Commission (ACC) requested the “predicted impacts” of rate consolidation in November 2008 during a pending rate case.
- The ACC left “open” this rate case for purposes of further evaluating rate consolidation in the Company’s next (now pending) rate case.
- All customers received a public notice in the mail March 2010.
- The ACC required the Company to host town-hall meetings to explain rate consolidation.

Rate Consolidation Defined

- The process of averaging the unique rates for each district into a single rate for like customers.
- Existing residential customer typical monthly water bills vary from \$16.73 (Sun City) to \$58.59 (Tubac).
- Existing residential customer typical monthly wastewater bills vary from \$13.69 (Sun City) to \$56.55 (Mohave).
- APS, Arizona's largest electric utility, has consolidated rates, as do most other utilities in most other states (gas, electric, telephone, cable).

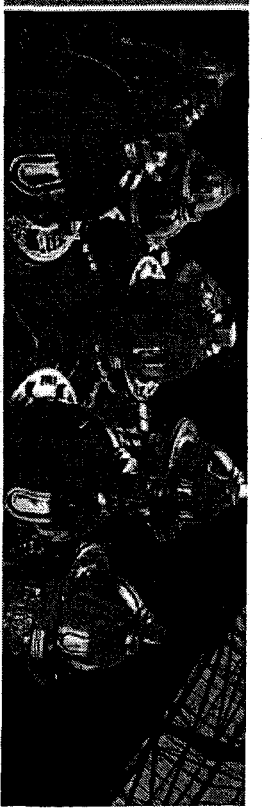
Consolidation Proposals Submitted in the Recent Rate Hearing with 16 Interveners

- Final positions were submitted June 25, 2010.
- Several interveners opposed rate consolidation (including ACC Staff & RUCO) and/or requested to opt-out for a variety of reasons.
- Several interveners proposed alternative scenarios including one Commissioner, ACC staff, Arizona American Water and an intervener from Tubac.
- Extensive public comment was submitted throughout the case.
- All proposals available at www.azcc.gov under “edocket.”



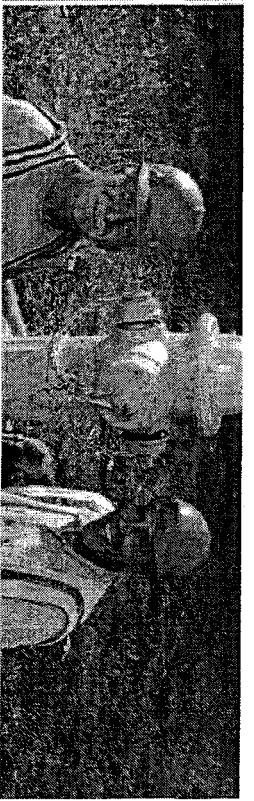
Key Features of Some Rate Consolidation Proposals

- Gradual transition to consolidated rates in 5 steps.
- 5 residential rate tiers instead of existing 3 tiers to further incentivize conservation.
- Reduce residential 1 inch meter monthly minimum charge.
- Commissioner scenarios excluded Sun City and Sun City West from consolidation.



Current Relative Rate Situation

- Relatively lower residential rates in Sun City and Mohave.
- Relatively average residential rates in Paradise Valley, Sun City West, Agua Fria.
- Relatively higher residential rates in Anthem, Tubac.



Summary of Rate Consolidation Proposals

- Based on existing and Company proposed rates.
- State-wide typical consolidated residential water bill \$28.79 per month @ 7,000 gallons usage.
- Excluding Sun City, balance of state, consolidated residential = \$33.09 per month.
- Excluding Sun City and Sun City West, balance of state, consolidated residential = \$33.14 per month.
- See handout for detailed information for your district.

Next Steps – Rate Consolidation

- The hearing concluded June 3, 2010.
- An ACC judge will issue a recommended order (estimated October 2010).
- Parties may file exceptions to recommended order in the form of amendments (estimated November 2010).
- Parties make last arguments at ACC open meeting (estimated November 2010).
- Members of public and interveners make last comments at same ACC open meeting.

Questions? Feedback? Or Need More Information?

- Sign this meeting's sign-in sheet and fill out question form
- Write a letter or send an e-mail to the ACC.
- Provide public comment at the future open meeting.
- Contact an intervenor representing your district or your opinion to learn more.
- Download any case document from "edocket" at www.azcc.gov.
- Obtain information on rates for other Arizona water utilities at www.wifa.gov.
- Contact the Company at azrates@amwater.com or 623-445-2458, Tom Broderick, Rates Director.

**Arizona American Water Town Hall Meeting
Water & Wastewater Rate Consolidation**

**Case Docket No. W-01303A-09-0343 (Water) and
Case Docket No. SW-01301A-09-0343 (Wastewater)
July, 2010**

**Hand Out on Consolidation Scenarios
Prepared by Arizona American Water**

If you have follow up questions, please call:
Arizona American Water Rates Department at
(623) 445-2458 or email us at azrates@amwater.com.

The Arizona Corporation Commission can be reached at:
1200 West Washington, Phoenix, AZ 85007
www.azcc.gov or consumer services at (602) 542-4251.



A R I Z O N A
AMERICAN WATER
(800) 383-0834

www.arizonaamwater.com

We care about water. It's what we do.

RESIDENTIAL									
District	Sun City	Sun City West	Agua Fria	Anthem	Tubac	Mohave	Havasu	Paradise Valley	Paradise Valley
Rate Schedule	A1M1A	B1M1A	C1M1A	E1M1A	F1M1A	G1M1A	H1M1A	P1M1A	P1M1A
Meter Size	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8"	3/4"
Median Usage	7,000	6,000	6,000	8,000	7,000	5,000	5,000	11,000	10,000
Current Bill	\$15.46	\$30.34	\$26.60	\$34.20	\$42.40	\$13.88	\$35.88	\$37.90	\$37.66
Proposed Stand Alone	\$18.64			\$65.41					
Proposed Consolidated									
Step 1	\$21.17	\$29.23	\$27.92	\$66.98	\$42.48	\$15.03	\$29.56	\$35.33	\$32.61
Step 2	\$23.07	\$28.49	\$27.51	\$58.07	\$39.06	\$17.21	\$28.10	\$36.35	\$33.56
-Step 3	\$24.98	\$27.74	\$27.09	\$49.15	\$35.63	\$19.38	\$26.64	\$37.38	\$34.50
Step 4	\$26.88	\$27.00	\$26.67	\$40.24	\$32.21	\$21.55	\$25.18	\$38.40	\$35.45
Step 5	\$28.79	\$26.26	\$26.26	\$31.33	\$28.79	\$23.72	\$23.72	\$39.43	\$36.40
Step 5 vs Current Bill	86.2%	-13.5%	-1.3%	-8.4%	-32.1%	70.9%	-33.9%	4.0%	-3.4%

[illegible]

ARIZONA AMERICAN
 MEDIAN BILL CHANGES THROUGH RATE CONSOLIDATION
 v4 without Sun City

RESIDENTIAL

District	Sun City	Sun City West	Agua Fria	Anthem	Tubac	Mohave	Havasui	Paradise Valley	Paradise Valley	Agua Fria	Anthem	Paradise Valley
Rate Schedule	A1M1A	B1M1A	C1M1A	E1M1A	F1M1A	G1M1A	H1M1A	P1M1A	P1M1A	C1M1B	E1M1B	P1M1A
Meter Size	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8"	3/4"	1"	1"	1"
Median Usage	7,000	6,000	6,000	8,000	7,000	5,000	5,000	11,000	10,000	7,000	9,000	40,000
Current Bill	\$15.46	\$30.34	\$26.60	\$34.20	\$42.40	\$13.88	\$35.88	\$37.90	\$37.66	\$53.76	\$61.09	\$123.05
Proposed Stand Alone	\$18.64			\$65.41							\$116.84	
Proposed Consolidated												
Step 1		\$30.75	\$29.93	\$70.07	\$44.67	\$16.42	\$32.08	\$38.13	\$35.49	\$37.30	\$84.87	\$125.77
Step 2		\$30.70	\$30.09	\$61.46	\$41.78	\$19.32	\$31.07	\$39.53	\$36.79	\$37.49	\$74.44	\$130.39
Step 3		\$30.65	\$30.24	\$52.85	\$38.88	\$22.22	\$30.05	\$40.93	\$38.09	\$37.69	\$64.01	\$135.00
Step 4		\$30.60	\$30.40	\$44.24	\$35.99	\$25.12	\$29.04	\$42.33	\$39.39	\$37.88	\$53.58	\$139.62
Step 5		\$30.56	\$30.56	\$35.63	\$33.09	\$28.02	\$28.02	\$43.73	\$40.70	\$40.70	\$43.15	\$144.23
Step 5 vs Current Bill		0.7%	14.9%	4.2%	-22.0%	101.8%	-21.9%	15.4%	8.1%	-24.3%	-29.4%	17.2%

Districts more than 50%

Dollar Change per Month

\$ Change per 1,000 gallons

\$14.14

\$2.83

ARIZONA AMERICAN
 MEDIAN BILL CHANGES THROUGH RATE CONSOLIDATION
 v4 without Sun City and Sun City West

RESIDENTIAL

District	Sun City	Sun City West	Agua Fria	Anthem	Tubac	Mohave	Havasupai	Paradise Valley	Paradise Valley	Agua Fria	Anthem	Paradise Valley
Rate Schedule	A1M1A	B1M1A	C1M1A	E1M1A	F1M1A	G1M1A	H1M1A	P1M1A	P1M1A	C1M1B	E1M1B	P1M1A
Meter Size	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8 x 3/4"	5/8"	3/4"	1"	1"	1"
Median Usage	7,000	6,000	6,000	8,000	7,000	5,000	5,000	11,000	10,000	7,000	9,000	40,000
Current Bill	\$15.46	\$30.34	\$26.60	\$34.20	\$42.40	\$13.88	\$35.88	\$37.90	\$37.66	\$53.76	\$61.09	\$123.05
Proposed Stand Alone	\$18.64			\$65.41							\$116.84	
Proposed Consolidated												
Step 1				\$69.35	\$45.07	\$16.53	\$32.22	\$38.00	\$35.37	\$37.51	\$84.00	\$125.25
Step 2			\$30.22	\$60.93	\$42.09	\$19.42	\$31.19	\$39.45	\$36.71	\$37.67	\$73.80	\$130.01
Step 3			\$30.35	\$52.51	\$39.11	\$22.30	\$30.15	\$40.89	\$38.06	\$37.82	\$63.61	\$134.77
Step 4			\$30.48	\$44.09	\$36.12	\$25.19	\$29.11	\$42.34	\$39.40	\$37.98	\$53.41	\$139.53
Step 5			\$30.61	\$35.68	\$33.14	\$28.07	\$28.07	\$43.78	\$40.75	\$40.75	\$43.21	\$144.30
Step 5 vs Current Bill			15.0%	4.3%	-21.8%	-21.8%	-21.8%	15.5%	8.2%	-24.2%	-29.3%	17.3%

Districts more than 50%

Dollar Change per Month

\$ Change per 1,000 gallons

\$14.19

\$2.84

ARIZONA AMERICAN
 MEDIAN BILL CHANGES THROUGH RATE CONSOLIDATION
 v4 All Districts

RESIDENTIAL SEWER - FLAT RATE

District	Sun City	Sun City West	Agua Fria	Mohave	Sun City	Sun City	Sun City West
Rate Schedule	A1S1A, 2A	B1S1A	E1MS1	P1MS1	A1S1B	A1S1D	B1S1D
Meter Size	5/8" x 3/4"	5/8" x 3/4"	5/8" x 3/4"	5/8" x 3/4"	1"	2"	2"
Median Usage			7,000				
Current Bill	\$13.69	\$25.01	\$52.12	\$56.55	\$34.23	\$109.52	\$200.08
Proposed Stand Alone	\$18.58	\$31.64	\$84.08		\$46.45	\$148.63	\$253.09
Proposed Consolidated							
Step 1	\$22.05	\$32.94	\$66.85	\$51.45	\$27.56	\$94.50	\$141.15
Step 2	\$25.29	\$33.45	\$58.89	\$47.34	\$31.61	\$108.38	\$143.36
Step 3	\$28.53	\$33.97	\$50.93	\$43.23	\$35.66	\$122.25	\$145.58
Step 4	\$31.76	\$34.48	\$42.96	\$39.11	\$39.70	\$136.13	\$147.79
Step 5	\$35.00	\$35.00	\$35.00	\$35.00	\$43.75	\$150.00	\$150.00
Step 5 vs Current Bill	155.7%	39.9%	-32.8%	-38.1%	27.8%	37.0%	-25.0%
Step 5 vs Stand Alone	88.4%	10.6%	-58.4%		-5.8%	0.9%	-40.7%
Dollar Change per Month		\$9.99					
		\$3.36					